

**SOUTH HOLLAND INTERNAL DRAINAGE BOARD
ESTIMATES FOR THE FINANCIAL YEAR 2008/09**

15 January 2008

1. RATE REQUIREMENT

	ACTUAL 2006/07 £	ESTIMATE 2007/08 £	PROBABLE 2007/08 £	ESTIMATE 2008/09 £	PROPORTION 2008/09 %
NEW WORKS AND IMPROVEMENT WORKS					
Tidal Sluices	71,878	72,000	90,727	130,000	5.59%
Switchgear	151,000	0	0	15,000	0.65%
Telemetry	60,000	115,000	120,000	30,000	1.29%
Health & Safety Improvements	21,000	20,000	25,000	20,000	0.86%
Freespan bridge Inspections	0	0	0	20,000	0.86%
Pump/PS Outfall Renewals Programme	6,000	0	40,000	180,000	7.75%
	309,878	207,000	275,727	395,000	17.00%
CONTRIBUTIONS PAYABLE TO THE ENVIRONMENT AGENCY					
Annual Precept Payable to the Environment Agency	157,512	167,168	132,840	158,068	6.80%
Transfers to/(from) Precept Fluctuation Account	0	-3,828	30,500	0	0.00%
	157,512	163,340	163,340	158,068	6.80%
MAINTENANCE WORKS					
Direct Works	1,070,127	1,123,844	1,151,253	1,240,397	53.38%
Net (Surplus)/Deficit on Absorption Accounts	35,351	0	-55,000	0	0.00%
Technical/Operational Support Costs	0	0	0	215,709	9.28%
Contingency	0	40,000	12,591	40,000	1.72%
	1,105,478	1,163,844	1,108,844	1,496,106	64.38%
ADMINISTRATION AND OTHER EXPENSES					
Consortium Charges	420,486	457,511	384,615	219,241	9.43%
Rates Value Increases/Decreases	1,277	30,000	5,000	45,000	1.94%
Office Equipment & IT Provision	10,675	10,000	0	0	0.00%
Radio Telephones	88	1,100	500	1,100	0.05%
Former Staff Superannuation Charges	3,410	3,650	3,533	0	0.00%
Sundry Debtors Written Off	0	300	100	300	0.01%
Professional Charges & Audit Fee	19,174	14,120	1,501	0	0.00%
Inspections & Sundry Expenses	2,113	1,600	435	0	0.00%
Provision for Settlement Discount at 2.5%	8,368	8,600	8,845	9,000	0.39%
	465,591	526,881	404,529	274,641	11.82%
TOTAL EXPENDITURE	£2,038,459	£2,061,065	£1,952,440	£2,323,815	100.00%
LESS:					
GOVERNMENT GRANTS					
Tidal Sluices	24,300	0	0	0	0.00%
Switchgear	62,550	0	34,520	8,000	0.34%
Telemetry	0	0	0	0	0.00%
	86,850	0	34,520	8,000	0.34%
CONTRIBUTIONS FROM THE ENVIRONMENT AGENCY					
Highland Water Contributions	0	0	0	0	0.00%
OTHER INCOME					
Consortium Income	0	20,529	49,098	30,170	1.30%
Transfer from Development Contributions Fund	35,000	35,000	35,000	35,000	1.51%
Transfer from Fixed Plant Renewals Fund	60,000	40,000	80,000	220,000	9.47%
Rents and Acknowledgements	8,189	6,000	6,000	6,000	0.26%
Investment Interest	105,775	75,000	128,335	90,000	3.87%
Engineering and Administration Charges	50	0	900	0	0.00%
Sundry Income	6,324	5,500	5,800	3,000	0.13%
Maintenance Contributions	12,178	6,000	0	0	0.00%
Profit/(Loss) on Disposal of Plant & Equipment	0	0	0	0	0.00%
Profit/(Loss) on Rechargeable Works	8,690	0	10,000	0	0.00%
	236,207	188,029	315,133	384,170	16.54%
TOTAL INCOME	£323,057	£188,029	£349,653	£392,170	16.88%
NET REQUIREMENT	£1,715,402	£1,873,036	£1,602,787	£1,931,645	83.12%
FINANCED BY:-					
RATE INCOME LEVIED BY THE BOARD:					
Occupiers Drainage Rates	825,154	846,836	846,385		
South Holland District Council	994,859	1,024,722	1,024,722		
Boston Borough Council	723	742	742		
	£1,820,736	£1,872,300	£1,871,849		
LESS NET SURPLUS/(DEFICIT) FOR THE YEAR	105,334	(736)	269,062		
NET REQUIREMENT	£1,715,402	£1,873,036	£1,602,787		
GENERAL RESERVE					
Balance brought forward at 1 April	690,723	506,057	506,057		
ADD: Net Surplus/(Deficit) for the year	105,334	(736)	269,062		
LESS: Transferred to Fixed Plant Renewals Fund	(290,000)	0	(270,000)		
Balance carried forward at 31 March	£506,057	£505,321	£505,119		

On preparing the estimates for the financial year 2007/08 it was estimated that the General Reserve would amount to £500,707 as at 31 March 2007. The actual Reserve as at 31 March 2007 was £506,057 and it is estimated that this Surplus will be in the region of £505,119 as at 31 March 2008, after transferring £270,000 to the Fixed Plant Renewals Fund.

SOUTH HOLLAND INTERNAL DRAINAGE BOARD
SECTION 37, LAND DRAINAGE ACT 1991
2. DETERMINATION OF ANNUAL VALUES AS AT 31 DECEMBER 2007

The values at 31 December 2007 used for determining the proportion of expenses to be raised from drainage rates and special levies are as follows:-

PROPERTIES	RATED AREA HA	VALUES £	PROPORTION %	VALUE PER HECTARE £
Agricultural Land and/or Buildings	35,396.215	8,229,686	45.081	232.502
Other Land:-				
South Holland District Council	3,045.011	10,018,485	54.880	3,290.131
Boston Borough Council	2.199	7,246	0.040	3,295.134
Totals	38,443.425	£18,255,417	100.000	

Agricultural Land and/or Buildings	35,396.215	8,229,686	45.081	232.502
Billing Authorities	3,047.210	10,025,731	54.919	3,290.135
Totals	38,443.425	£18,255,417	100.000	

SECTION 40, LAND DRAINAGE ACT 1991
3. DRAINAGE RATES/SPECIAL LEVIES FOR 2008/2009

The following table shows the rate/levies for last year, and 3 rate/levy options for this year based on estimated net expenditure. Option 1 shows the actual rate/levies requirement of 3.37%. Option 2 shows a rate increase of 2.92%, which equates to a 3.00% increase for SHDC - given the shift in their proportion of aggregate annual value arising from development during the course of the year (which is largely controlled by SHDC). Option 3 shows an inflationary rise of 4.20%, which equates to a 4.28% increase for SHDC - given the shift in their proportion of aggregate annual value arising from development during the course of the year. Option 2 is recommended and Members attention is drawn to the 5 year indicative forecast shown overleaf.

FINANCED BY:-	REQUIREMENT			
	2007-2008 ESTIMATED £	2008-2009 OPTION 1 £	2008-2009 OPTION 2 £	2008-2009 OPTION 3 £
(Add)/Deduct for adjustment of Balances	736	0	8,438	(15,478)
RATES/LEVIES:				
Occupiers Drainage Rates	846,836	870,800	866,997	877,778
South Holland District Council (SHDC)	1,024,722	1,060,078	1,055,447	1,068,572
Boston Borough Council (BBC)	742	767	763	773
NET REQUIREMENT	£1,873,036	£1,931,645	£1,931,645	£1,931,645
Penny Rate in the Pound	10.236p	10.581p	10.535p	10.666p
INCREASES/(DECREASES):				
Drainage Rate Increase/(Decrease)	2.62%	3.37%	2.92%	4.20%
Special Levy for SHDC Increase/(Decrease)	3.00%	3.45%	3.00%	4.28%
Special Levy for BBC Increase/(Decrease)	2.63%	3.37%	2.83%	4.18%
GENERAL RESERVE:				
Probable Reserve at 31 March	£499,971	£505,119	£496,681	£520,597
Reserve expressed as a percentage of Net Expenditure	26.69%	26.15%	25.71%	26.95%
RATE PER ACRE:				
Agricultural Land and/or Buildings	£9.68	£9.96	£9.91	£10.04
Billing Authorities	£136.29	£140.89	£140.27	£142.01
RATE PER PERSON:				
Agricultural Drainage Ratepayers	£604.88	£622.00	£619.28	£626.98
SHDC (population taken from 2001 Census)	£13.39	£13.86	£13.79	£13.97
BBC (population taken from 2005 Census)	£0.01	£0.01	£0.01	£0.01

The current headline rate of inflation (Retail Price Index) as indicated by the National Statistics Office is 4.20%

SOUTH HOLLAND INTERNAL DRAINAGE BOARD

4. INDICATIVE FORECAST FOR FIVE YEARS, USING TODAY'S RATEABLE VALUES (ALLOWING FOR INFLATION AT 4.20%)

RATE REQUIREMENT	OPTION 2 REQUIREMENT...				
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	£	£	£	£	£
New Works and Improvement Works	395,000	459,522	326,815	515,903	471,553
Contributions Payable to the Environment Agency	158,068	164,707	171,625	178,833	186,344
Maintenance Works	1,496,106	1,496,422	1,559,272	1,624,761	1,693,001
Administration and Other Expenses	274,641	250,000	245,000	240,000	230,000
Government Grants	-8,000	0	0	0	0
Contributions from the Environment Agency	0	0	0	0	0
Other Income	-384,170	-367,084	-225,000	-380,000	-300,000

NET REQUIREMENT	£1,931,645	£2,003,567	£2,077,712	£2,179,497	£2,280,898
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FINANCED BY:-

(Add)/Deduct for adjustment of Balances	8,438	(330)	(10,342)	3,816	13,757
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RATES/LEVIES:

Occupiers Drainage Rates	866,997	903,373	941,311	980,814	1,022,045
South Holland District Council (SHDC)	1,055,447	1,099,729	1,145,914	1,194,003	1,244,196
Boston Borough Council (BBC)	763	795	829	864	900
	£1,931,645	£2,003,567	£2,077,712	£2,179,497	£2,280,898

INCREASES/(DECREASES):

Penny Rate in the Pound	10.535p	10.977p	11.438p	11.918p	12.419p
Rate Increase/(Decrease)	2.92%	4.20%	4.20%	4.20%	4.20%

GENERAL RESERVE:

Probable Reserve	£496,681	£497,011	£507,353	£503,537	£489,780
Reserve expressed as a percentage of Net Expenditure	25.71%	24.81%	24.42%	23.10%	21.47%

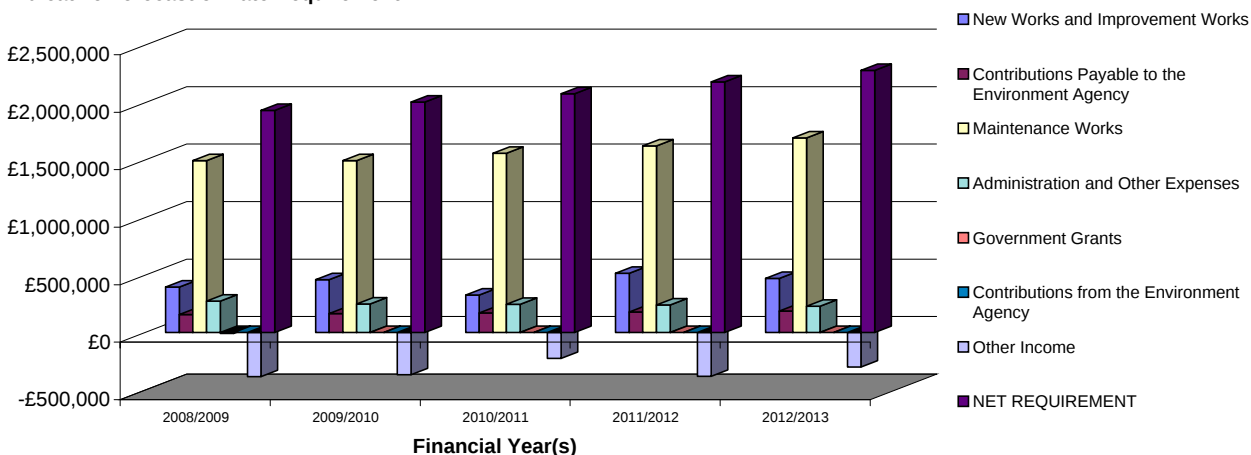
RATE PER ACRE:

Agricultural Land and/or Buildings	£9.91	£10.33	£10.76	£11.21	£11.69
Billing Authorities	£140.27	£146.16	£152.29	£158.68	£165.36

RATE PER PERSON:

Agricultural Drainage Ratepayers	£619.28	£645.27	£672.37	£700.58	£730.03
SHDC (population taken from 2001 Census)	£13.79	£14.37	£14.98	£15.61	£16.26
BBC (population taken from 2005 Census)	£0.01	£0.01	£0.01	£0.01	£0.02

Indicative Forecast of Rate Requirement



P J CAMAMILE
CHIEF EXECUTIVE OFFICER
15 JANUARY 2008